EXHIBIT E

Harley International (Cayman) Limited

Report and Financial Statements

31 December 2007

Contents

General Information

Registered office

Grand Pavilion Commercial Centre
802 West Bay Road
PO Box 2003 GT
Grand Cayman, KY1-1104
British West Indies

Independent auditors

Ernst & Young
62 Forum Lane
Suite 6401, Camana Bay
West Bay Road
Grand Cayman, KY1-1106
British West Indies

Directors

Mr Anthony L M Inder Rieden
Mrs Dawn E Davies

Administrator

Fortis Prime Fund Solutions (IOM) Limited
Fortis House
18-20 North Quay
Douglas
Isle of Man
IM99 1NR

Investment manager

Euro-Dutch Management Limited
Grand Pavilion Commercial Centre
802 West Bay Road
PO Box 2003 GT
Grand Cayman, KY1-1104
British West Indies

Registrar and transfer agent

Fortis Prime Fund Solutions (IOM) Limited
Fortis House
18-20 North Quay
Douglas
Isle of Man
IM99 1NR

Custodian

Bernard L Madoff Investment Securities LLC
885 Third Avenue
New York
NY 10022

Sub-advisor

Aspen International Investment Limited
Clarendon House
2 Church Street
Hamilton
Bermuda

Legal advisor
Until April 2008:
Ogier
Queensgate House
113 South Church Street
George Town
Grand Cayman, KY1-1108
British West Indies

From April 2008:
Appleby
Clifton House
75 Fort Street
PO Box 190
Grand Cayman, KY1-1104
British West Indies

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the company's state of affairs as at the end of the year and the results of operations for the year then ended.

In preparing those financial statements, the directors are required to:

- ensure that the financial statements comply with the Memorandum and Articles of Association and International Financial Reporting Standards, as published by the International Accounting Standards Board;
- select suitable accounting policies and then apply them on a consistent basis;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ERNST & YOUNG

Suite [illegible]
[illegible] Forum Lane
Camana Bay
P.O. Box 510
Grand Cayman KY1-[illegible]

Phone [illegible]
Fax: [illegible]
Fax: [illegible]

Independent Auditors' Report

To the Directors of
Harley International (Cayman) Limited

We have audited the Company's financial statements for the year ended December 31, 2007, which comprise the balance sheet, the income statement, statement of changes in net assets attributable to holders of redeemable preferred shares, cash flow statement and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's directors, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of company's directors and auditors

The Company's directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards.

We read the statement of directors' responsibilities in respect of the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the company's directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

ERNST & YOUNG

Independent Auditors' Report (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2007 and of its results and cash flows for the year then ended and have been properly prepared in accordance with International Financial Reporting Standards.

Ernst + Young

May 28, 2008

Harley International (Cayman) Limited

Balance Sheet
As at 31 December 2007

	Note	2007 US$	2006 US$
Assets			
Financial assets at fair value through profit or loss (cost US$3,329,395,857; 2006: US$2,485,778,947)	3	3,329,107,495	2,485,486,111
Cash and cash equivalents	4	26,646	51,181
Dividends receivable		174,374	2,146,025
Total assets		3,329,308,515	2,487,683,317
Liabilities			
Management and incentive fee payable	5	148	16,077
Deferred incentive and management fees	5	451,504	325,440
Administration fee payable	6	150,000	75,000
Accrued expenses		39,200	35,000
Withholding tax payable		52,312	625,644
Total liabilities		693,164	1,077,161
Net assets attributable to holders of redeemable preferred shares		3,328,615,351	2,486,606,156
Net asset value per share			
Class A redeemable preferred shares (24.955 shares outstanding; 2006: 4,151.408 shares)		4,020.26	3,675.35
Class C redeemable preferred shares (754,963.354 shares outstanding; 2006: 619,259.800 shares)		4,408.71	3,990.81
Class J redeemable preferred shares (26.660 shares outstanding; 2006: 0 shares)		3,760.33	-

Approved by the Directors on 28 May 2008

....Director

....Director

See accompanying notes to the financial statements.

Harley International (Cayman) Limited

Income Statement

For the year ended 31 December 2007

	Note	2007 US$	2006 US$
Investment income			
Accretion income	2(h)	86,468,930	30,955,503
Dividends (net of withholding taxes of US$6,657,015, 2006: US$9,953,929)	2(j)	15,760,329	23,287,110
Total investment income		102,229,259	54,242,613
Expenses			
Management fee	5	84	-
Incentive fee	5	89,215	192,662
Administration fee	6	300,000	300,000
Directors' fee		10,000	10,000
Professional fees and other		238,250	308,687
Total operating expenses		(637,549)	(811,349)
Net investment income		101,591,710	53,431,264
Net gain on investments			
Net realised gain on investments	2(c)	192,185,939	185,814,397
Net unrealised gain on investments	2(c)	4,474	1,107
Net gain on investments		192,190,413	185,815,504
Appreciation of deferred compensation	5	(40,835)	(266,632)
Profit attributable to holders of redeemable preferred shares		293,741,288	238,980,136

See accompanying notes to the financial statements.

Harley International (Cayman) Limited

Statement of Changes in Net Assets Attributable to Holders of Redeemable Preferred Shares

For the year ended 31 December 2007

	Capital transactions US$
Balance at 1 January 2006	1,414,636,118
Profit attributable to holders of redeemable preferred shares	238,980,136
Issue of shares	1,088,738,515
Redemption of shares	(255,748,613)
Balance at 31 December 2006	2,486,606,156
Profit attributable to holders of redeemable preferred shares	293,741,288
Issue of shares	920,439,999
Redemption of shares	(372,172,092)
Balance at 31 December 2007	**3,328,615,351**

See accompanying notes to the financial statements.

Harley International (Cayman) Limited

Cash Flow Statement

For the year ended 31 December 2007

	2007 US$	2006 US$
Cash flows from operating activities		
Profit attributable to holders of redeemable preferred shares	293,741,288	238,980,136
Adjustments to reconcile profit for the financial year to net cash from operating activities		
Financial assets at fair value through profit or loss	(843,621,384)	(879,103,325)
Dividends receivable	1,971,651	(1,362,945)
Management and incentive fees payable	(15,929)	1,921
Deferred incentive and management fees	126,064	(2,244,610)
Administration fees payable	75,000	-
Accrued expenses	4,200	(113,327)
Withholding tax expense	(573,332)	402,666
Net cash used in operating activities	(548,292,442)	(643,439,484)
Cash flows from financing activities		
Proceeds from issue of redeemable preferred shares	920,439,999	899,069,804
Redemptions of redeemable preferred shares	(372,172,092)	(255,748,613)
Net cash provided by financing activities	548,267,907	643,321,191
Net decrease in cash and cash equivalents	(24,535)	(118,293)
Opening cash and cash equivalents	51,181	169,474
Ending cash and cash equivalents	26,646	51,181

Supplementary information

	2007 US$	2006 US$
Accretion income received	86,468,930	30,955,503
Dividends received	17,731,980	21,924,165
Non cash item in respect of participating interest	-	189,668,711

See accompanying notes to the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2007

1. Organization

Harley International (Cayman) Limited) (the "company") was formed as an open-ended investment company under the laws of the Bahamas with limited liability on 1 September 1992. On 7 August 2003 the company transferred its domicile, administrator and investment manager to the Cayman Islands and incorporated as an exempted company in the Cayman Islands. At the same time the company changed its name to Harley International (Cayman) Limited. Effective 29 April 2004 the company became registered under the Cayman Islands Mutual Funds Law. From the 1 January 2005 the company transferred its administration to the Isle of Man.

The investment objective of the company is to achieve capital appreciation by investing the assets of the company with one or more money managers, either directly by way of a managed account or by investing in an investment vehicle managed by such a money manager. Company assets are typically invested either directly or indirectly in U.S. equity securities, equity index related options and US Treasury Bills on a completely non-leverage basis.

The company's financial statements were authorised for issue on 28 May 2008 by the Directors.

The company had no employees at 31 December 2007.

2. Significant accounting policies

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value. The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing the financial statements are reasonable and prudent. Actual results could differ from these estimates.

(c) Financial instruments

(i) Classification

The company has designated its financial instruments as financial assets and liabilities at fair value through profit or loss which consist of financial assets and liabilities held for trading. These include equities, US treasury bills and investment funds. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price.

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Initial measurement
Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out (FIFO) method.

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised directly in the income statement.

(iii) Subsequent measurement
After initial measurement, the company measures financial instruments which are classified as at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the income statement.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with the exception of US Treasury bills which are included in financial assets at fair value through profit or loss. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and are held for the purpose of the meeting short-term cash commitments rather than for investments or other purposes.

(e) Foreign currency translation

(i) Functional and presentation currency
Items included in the company's financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). This is the United States dollar, which reflects the company's primary activity of investing in United States dollar denominated securities and derivatives.

(ii) Foreign currency transactions
Monetary assets and liabilities denominated in currencies other than United States dollars are translated into United States dollars at the closing rates of exchange at each period end. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gains and losses on investments.

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

2. Significant accounting policies (continued)

(f) Redeemable preferred shares

Redeemable preferred shares are redeemable at the option of the shareholder and are classified as financial liabilities.

The preferred shares can be put back to the company on any dealing day for cash equal to a proportionate share of the company's net asset value.

(g) Share capital

The company's ordinary shares are classified as equity in accordance with the company's articles of association. These shares do not participate in the profits of the company.

(h) Accretion income

Discounts on US Treasury Bills purchased are amortised over the period of ownership of the respective bonds.

(i) Expenses

All expenses, including management fees and incentive fees, are recognised in the income statement on an accruals basis.

(j) Dividend income

Dividends are credited to the profit and loss account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown net of any withholding tax in the income statement.

(k) Income taxes

The company is exempt from all forms of taxation in the Cayman Islands, including income, capital gains and withholding taxes. In jurisdictions other than the Cayman Islands, in some cases foreign taxes will be withheld at source on dividends and certain interest received by the company. Capital gains derived by the company in such jurisdictions generally will be exempt from foreign income or withholding taxes at source.

(l) Net asset value per share

The net asset value per share is calculated by dividing the net assets per class of shares by the number of the outstanding shares per class of shares at the end of the year.

(m) Cross liability

The assets of each class may be exposed to the liabilities of other classes within the company. At 31 December 2007 the directors were not aware of any such existing or contingent liability.

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

3. Financial assets at fair value through profit or loss

As at 31 December 2007 the company held the following financial assets held for trading:

Description	Unit holdings	Trade currency	Amortised cost US$	Fair value US$
US Treasury Bill due 02/21/08	279,725,000	USD	278,559,031	278,533,061
US Treasury Bill due 02/28/08	279,725,000	USD	278,377,579	278,372,608
US Treasury Bill due 03/06/08	279,725,000	USD	278,209,823	278,181,385
US Treasury Bill due 03/13/08	279,725,000	USD	278,019,980	277,983,634
US Treasury Bill due 03/20/08	279,725,000	USD	277,802,450	277,779,356
US Treasury Bill due 03/27/08	279,725,000	USD	277,606,935	277,585,453
US Treasury Bill due 04/03/08	25,000	USD	24,790	24,787
US Treasury Bill due 04/10/08	279,725,000	USD	277,246,249	277,205,844
US Treasury Bill due 04/17/08	279,725,000	USD	277,114,389	277,110,970
US Treasury Bill due 04/24/08	279,725,000	USD	276,915,928	276,878,991
US Treasury Bill due 05/01/08	279,725,000	USD	276,678,692	276,658,358
US Treasury Bill due 05/08/08	279,725,000	USD	276,513,670	276,502,450
US Treasury Bill due 05/15/08	279,725,000	USD	276,326,341	276,290,598
			3,329,395,857	**3,329,107,495**

As at 31 December 2006

US Treasury Bills	**2,485,778,947**	**2,485,486,111**

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

4. Cash and cash equivalents

	2007 US$	2006 US$
Cash	6,187	27,329
Money market fund	20,459	23,852
	26,646	51,181

The company holds cash with Fortis Prime Fund Solutions Bank (Ireland) Limited and with Bernard L. Madoff Investment Securities LLC.

5. Management and incentive fees

Pursuant to the investment management agreement, the investment manager is entitled to a monthly management fee on the Class J Redeemable Preferred Shares equal to one twelfth of a percent (0.0833%) of the net assets of the class. The fee is calculated monthly on the last day of each month, prior to deduction of the incentive fee, if any. The management fee is deducted in computing the net profit or net loss of the company. No management fees are charged in respect of the Class A or Class C Shares. Management fees incurred during the year totalled US$84 (2006: US$nil). A balance of US$84 was payable in respect of management fees as at 31 December 2007 (2006: US$nil).

In addition to the management fee the investment manager is also entitled to an incentive fee. The incentive fee is calculated in respect of the Class A and Class J Redeemable Preferred Shares. The incentive fee for any month is an amount equal to ten percent (10%) of the net profits (including net unrealised gains), if any, allocable to the Class A Redeemable Preferred Shares and the Class J Redeemable Preferred Shares during such month. The incentive fee is subject to a loss carry-forward provision. No incentive fees are charged in respect of Class C Shares. Incentive fees incurred during the year totalled US$89,215 (2006: US$192,662). A balance of US$64 was payable in respect of incentive fees as at 31 December 2007 (2006: US$16,077).

The investment management agreement provides, unless the investment manager elects to defer receipt of the management fee and/or incentive fee as further described below, that the investment manager will be paid the management fee and incentive fee monthly.

The investment manager and/or their sub-advisor may elect to defer payment of all or any portion of any management fee or incentive fee payable to them. Upon such election by the investment manager or sub-advisor, the payment of any deferral amount to each of them will be automatically deferred until the earlier of such future dates as the recipient of each deferred amount may specify in its notice to the company or the dissolution of the company. As long as the payment of fees is deferred, they constitute a "phantom" share class, which appreciates or depreciates in parallel with the net asset value of Class C shares.

As at 31 December 2007 the investment manager had elected to defer fees totalling US$451,504 (2006: US$325,440). This is made up of current year fees deferred of US$105,228 less a withdrawal of US$20,000 paid in cash. During the year deferred fees appreciated by US$40,835 (2006: US$266,632).

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

6. Administration fee

The company has entered into an administration services agreement with Fortis Prime Fund Solutions (IOM) Limited. The administration agreement provides that the company pays the administrator a fee equal to 0.05% of the company's net asset value subject to a maximum fee of US$300,000 per annum. In addition, all reasonable out-of-pocket expenses incurred by the Administrator on behalf of the company are reimbursed to the Administrator on a quarterly basis.

7. Share capital and redeemable preferred shares

The company's authorized capital consists of 100,000 ordinary shares and 4,900,000 redeemable preferred shares, each having a par value of US$0.01. Redeemable preferred shares may be designated as either Class A redeemable preferred shares (the "Class A shares"), Class C redeemable preferred shares (the "Class C shares") or Class J redeemable preferred shares (the "Class J shares"). The Class A, Class C and Class J shares are collectively referred to as "Redeemable Preferred Shares". Class A shares and Class J shares may only be purchased by direct investors, Class C shares may only be purchased by fund of funds or by managed accounts advised or managed by managers with which the sub-advisor of the company is affiliated.

The net assets attributable to holders of redeemable preferred shares are at all times equal to the net asset value of the company. The preferred shares which comprise the equity capital of the company are in substance a liability of the company to shareholders under IAS 32 as they can be redeemed at the option of the shareholder. The movement in the number of preferred shares is shown at the end of this note.

The company's redeemable preferred shares have no voting rights. All voting rights are vested in the holders of the 100,000 authorized ordinary shares owned by the Investment Manager.

The initial offering price of the Class A and C shares was US$1,000. The Class J shares were initially offered at a price equal to the 31 July 2000 NAV per share for the Class A shares. Valuations are determined on the last business day of each month.

The minimum investment in the company is US$1,000,000, subject to change at the discretion of the company, provided that no investment shall be for an amount less than US$50,000. Redeemable preferred shares may be purchased monthly on the first business day of each calendar month and at such other times as are permitted by the company's directors. The proper documentation necessary to subscribe must be received by the company at least two business days prior to the purchase date unless waived by the company. Redeemable preferred shares are offered at the net asset value as of the close of business on the last day of the immediately preceding month (the "valuation date").

Any holder of redeemable preferred shares has the right to have all or a portion of his shares redeemed as of the last business day of any calendar month. The company must receive the redemption request at least 30 days prior to such redemption date or such shorter notice period at the discretion of the Directors. Redeemable preferred shares will be redeemed at the net asset value as at close of business on such redemption date.

Preferred shares carry no right to receive notice of any general meeting of the company. The holders are entitled to receive all dividends declared and paid by the company. Upon, winding up the holders are entitled to a return of capital based on the net asset value per share of the company.

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

7. Share capital and redeemable preferred shares (continued)

Preferred share transactions for the year ended 31 December 2007 were as follows:

	Class A	Class C	Class J
Shares outstanding at 31 December 2005	3,094.339	395,795.711	1,109.948
Shares issued	2,016.000	290,257.734	-
Shares redeemed	(958.931)	(66,793.645)	(1,109.948
Shares outstanding at 31 December 2006	4,151.408	619,259.800	-
Shares issued	24.955	219,916.658	26.660
Shares redeemed	(4,151.408)	(84,213.104)	-
Shares outstanding at 31 December 2007	**24.955**	**754,963.354**	**26.660**

8. Financial instruments

The company's assets and liabilities comprise financial instruments which include:

- Investments in United States government bonds. These are held in accordance with the company's investment objectives and policies; and
- Cash, liquid resources and short-term creditors that arise directly from its investment activities.

As an investment fund the company buys, sells or holds financial assets and liabilities in order to take advantage of changes in market prices or rates. The investment objective of the company is to achieve capital appreciation by investing the assets of the company with one or more money managers, either directly by way of a managed account or by investing in an investment vehicle managed by such a money manager. The company operates on a completely non-leverage basis.

The company is exposed to market risk (which includes fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk arising from the financial instruments it holds. The company uses instruments for trading purposes and in connection with its risk management activities.

The company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Notes to the Financial Statements

For the year ended 31 December 2007 (continued)

8. Financial Instruments (continued)

Market risk

The company trades in a basket of U.S. equity securities commonly listed on the S&P 100 index, equity index related options and US Treasury Bills. Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates and market volatility. The investment manager continually monitors the company's exposure to market risk. At 31 December 2007 the exposure to market risk is low as the company's investment portfolio is made up of holdings in US Treasury Bills.

The market value of US Treasury Bills is dependent on the yield to maturity of Bills as at 31 December 2007, which in turn is affected by demand and supply for Bills and general economic conditions (such as the monetary policy of the Federal Reserve and inflation). Management's best estimate of the effect on net assets and profits due to a reasonably possible change in Bill yields, with all other variables held constant, is as follows:

Category	Change in yield 2007	Effect on net assets and profit 2007	Change in yield 2006	Effect on net assets and profit 2006
US Government bonds	20%	(5,523,497)	20%	(4,910,647)

Interest rate risk

At 31 December 2007 all of the company's investments are US Treasury Bills, therefore the company is not directly exposed to the effect on market values of changes in interest rates. Cash equivalents, which comprises a holdings a money-market fund (which in turn holds US Treasury bonds), are similarly not directly exposed to changes in interest rates.

Cash, as disclosed in note 4, is not exposed to cash flow interest rate risk as no interest is received on positive balances.

The company does not use derivative financial instruments to hedge its investment portfolio.

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

8. Financial instruments (continued)

Liquidity risk
The company's offering document provides for the monthly creation and cancellation of shares and is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. The company has the ability to borrow in the short term to meet these obligations.

This risk is mitigated by the company primarily investing in investments that are frequently traded and are realizable.

The company's liquidity risk profile is as follows:

2007	Due on demand US$	Due within 3 months US$	Due within 3-6 months US$	Due in greater than 6 months US$	Total US$
Financial assets at fair value through profit or loss:					
Held for trading	-	1,668,435,497	1,660,671,998	-	3,329,107,495
Cash	6,187	20,459	-	-	26,646
	6,187	1,668,455,956	1,660,671,998	-	3,329,134,141
Administration fees payable	(150,000)	-	-	-	(150,000)
Management and incentive fees payable	(148)	-	-	-	(148)
Deferred fees payable	(451,504)	-	-	-	(451,504)
Other payables	(91,512)	-	-	-	(91,512)
	(693,164)	-	-	-	(693,164)

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

8. Financial instruments (continued)

Liquidity risk (continued)

2006	Due on demand US$	Due within 3 months US$	Due within 3-6 months US$	Due in greater than 6 months US$	Total US$
Financial assets at fair value through profit or loss:					
Held for trading	-	1,329,940,192	826,283,737	330,262,182	2,486,486,111
Cash	27,329	23,852	-	-	51,181
	27,329	1,329,964,044	826,283,737	330,262,182	2,486,537,292
Administration fees payable	(75,000)	-	-	-	(75,000)
Management and incentive fees payable	(16,077)	-	-	-	(16,077)
Deferred fees payable	(325,440)	-	-	-	(325,440)
Other payables	(660,644)	-	-	-	(660,644)
	(1,077,161)	-	-	-	(1,077,161)

Notes to the Financial Statements

For the year ended 31 December 2007 (continued)

8. Financial Instruments (continued)

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the company. It is the company's policy to enter into financial instruments predominantly with the United States Government. Therefore, the company does not expect to incur material credit losses on its financial instruments.

The company's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 31 December 2007 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

Concentrations of credit risk exist when changes in economic, industry or geographic factors affect counterparties whose aggregate credit exposure is significant in relation to the company's total credit exposure. The company's portfolio of financial instruments is not diversified along industry and product lines, but transactions are entered into with creditworthy counterparties that are considered to hold readily realisable investments, thereby mitigating any significant concentration of credit risk.

The maximum credit exposure of the company is as follows:

	2007 US$	2006 US$
Financial assets at fair value through profit or loss:		
Held for trading	3,329,107,495	2,486,486,111
Cash and cash equivalents	26,646	51,181
	3,329,134,141	2,486,537,292

The company has two main counterparties; Bernard L Madoff Investment Securities LLC and Fortis Prime Fund Solutions Bank (Ireland) Limited. Bernard L Madoff Investment Securities LLC hold assets worth US$3,329,127,954 on behalf of the company; Fortis Prime Fund Solutions Bank (Ireland) Limited hold assets worth US$6,187 on behalf of the company.

The geographical distribution of financial assets that are neither past due or impaired of the company based on country of issue, is as follows:

2007	United States US$	Ireland US$	Total US$
Financial assets at fair value through profit or loss: Held for trading	3,329,107,495	-	3,329,107,495
Cash & cash equivalents	20,459	6,187	26,646
	3,329,127,954	6,187	3,329,134,141

Notes to the Financial Statements
For the year ended 31 December 2007 (continued)

8. Financial instruments (continued)

Credit risk (continued)

2006	United States US$	Ireland US$	Total US$
Financial assets at fair value through profit or loss: Held for trading	2,485,486,111	-	2,485,486,111
Cash & cash equivalents	23,852	27,329	51,181
	2,485,509,963	27,329	2,485,537,292

There are no financial assets that are past due or impaired.

Currency risk

Exchange rate risk represents the risk that the exchange rate of the United States dollar relative to other currencies may change in a manner, which has an adverse effect on the reported value of assets, which are denominated in currencies other than the United States dollar. Exchange rate exposure is low, because the company solely invests in US dollar-denominated securities. As at 31 December 2007 the company had no outstanding forward currency contracts.

9. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Mr. Anthony L.M. Inder Rieden and Mrs. Dawn Davies, directors of the company, are also members of the Board of Directors of the investment manager. During the year the investment manager was paid management fees and incentive fees as detailed in note 5.

The Directors of the company are each paid an annual fee of US$5,000. Total fees charged during the 2007 amount to US$10,000 (2006: US$10,000) for which US$10,000 has been paid during the year.

Santa Clara I Fund and Santa Barbara Holdings Ltd are related parties by virtue of common directorships of Mr Inder Rieden and Mrs Davies. At the year end Santa Clara I Fund held 154,927.265 Class C shares of the company (2006: 186,152.666 shares) and Santa Barbara Holdings Ltd held 62,869.378 Class C shares (2006: 65,965.754).

10. Subsequent events

During the period 1 January 2008 to 28 May 2008 Class C shares worth US$198,699,462 were subscribed for and Class C Shares worth US$265,600,000 were redeemed.